VZCZCXRO5126
PP RUEHDBU RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR
DE RUEHSL #0499/01 1711542
ZNY CCCCC ZZH
P 201542Z JUN 06
FM AMEMBASSY BRATISLAVA
TO RUEHC/SECSTATE WASHDC PRIORITY 9977
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RHEHNSC/NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 BRATISLAVA 000499

STPDTS

SIPDIS

NSC FOR DAMON WILSON

E.O. 12958: DECL: 06/20/2011
TAGS: <u>PGOV PREL PINR KDEM SOCI LO</u>

SUBJECT: SMER PICKS UP MOMENTUM IN RACE TO FORM GOVERNMENT

REF: A. BRATISLAVA 491

¶B. BRATISLAVA 494 ¶C. BRATISLAVA 471

Classified By: Ambassador Rodolphe M. Vallee for Reasons 1.4 (B) and (D)

11. (C) SUMMARY: The morning of June 20, President Gasparovic made good on his promise to charge Smer chairman Robert Fico with forming a new government (reftels). Fico immediately offered cooperation to Hungarian party SMK and Christian Democratic Movement KDH. According to sources in all three parties, SMK is ready to cooperate with Smer; KDH's presidium is split, but a narrow majority of the KDH leadership prefers cooperation with Smer. As the day progressed, it appeared that Smer gained significant momentum, while PM Dzurinda's early efforts to sew up a "three plus one" coalition of SDKU-SMK-KDH-HZDS was undermined by continuing opposition of some KDH leaders to working with former PM Vladimir Meciar. SDKU meets with SMK June 21, but the focus remains on KDH. SDKU presumably will re-energize an effort to persuade KDH not to join Smer. Despite the slight lift in the political fog, we anticipate a coalition may not be announced for several more days, and agreement on a government program and the distribution of ministries could take even more time. END SUMMARY.

SMER REACHES OUT TO HUNGARIANS, CHRISTIAN DEMS

12. (C) President Gasparovic officially gave Smer the mandate to form a governing coalition during a morning meeting June 20 with Smer chairman Robert Fico. Sources from all three parties involved confirmed press reports that Fico made a first offer to SMK and KDH, which would officially swap Smer for Dzurinda's SDKU. SMK says it has no problem with the proposal; SMK spokeswoman Livia Solymos told us that it is not yet official, but confirmed that SMK is inclined to accept the coalition. Smer insider and newly elected MP Juraj Horvath told us through his deputy Katarina Nevedalova that he was meeting with SMK this afternoon, and that negotiations between Smer-KDH-SMK were moving "to the next level."

KDH STILL HUDDLED UP...

13. (C) Meanwhile, Michal Dyttert, formerly spokesperson for KDH's Pavol Hrusovsky when he was Chairman of the National Assembly, told us the afternoon of June 20 that the KDH presidium is divided 6 to 5 in favor of going with Smer. He was confident this majority would prevail. Former KDH MP Jozef Miklusicak told us in the morning that KDH was still discussing its course of action, but is inclined to join a Smer-KDH-SMK coalition.

14. (C) Dyttert said that KDH places high priority on the Ministries of Interior, Labor and Social Affairs, and Education, and that chairman Pavol Hrusovsky wants to be chairman of parliament again. These Ministries -- particularly Interior and Labor and Social Affairs -- are likely to be high on the agendas of all parties, as they control a significant percentage of the EU funds which come into Slovakia. Although Smer's Horvath told us that he thought any hesitation by KDH -- and particularly former Minister of Justice Daniel Lipsic -- might be overcome by offering Lipsic the foreign ministry, a position in which he previously expressed interest. Dyttert, however, said Lipsic has "burned all bridges" in the last few days with his public statements that cooperation with Smer would be inappropriate, and will not be given any Ministry if KDH succeeds in joining a ruling coalition.

HZDS: KDH WON'T WORK WITH US

¶5. (C) HZDS MP Milan Urbani told us the previously floated "three plus one" coalition of SDKU-SMK-KDH-HZDS may be dead due to KDH's impossible-to-meet condition that Meciar be replaced as HZDS chairman. Dyttert confirmed this, and said that HZDS may fall apart over time, but at the moment they are strongly united behind Meciar. Pre-election predictions of break-away MPs immediately after the vote are so far proving to be wrong. Urbani is now predicting a Smer-KDH-SNS government, but said if KDH rejects Smer's offer, HZDS is willing to make a deal. HZDS may get that chance:
Nevedalova said that if a Smer-KDH-SMK coalition does not materialize, Smer's second attempt will be Smer-SMK-HZDS.

SMER OUTLINES ITS OBJECTIVES

BRATISLAVA 00000499 002 OF 002

-----

16. (C) Nevedalova said Smer will place the highest priority on controlling the Ministries of Interior, Labor and Social Affairs, Education, Health, and to a lesser extent, Culture. Smer is not interested in the Ministry of Foreign Affairs because, with no "heir apparent" within its own ranks, identifying an effective and appropriate Minister would cause more problems for Smer than it would be worth during crucial negotiations. Dyttert said KDH does not have a candidate and does not want the Ministry of Foreign Affairs, and SMK cannot take it because of the ethnic issue (ref C).

## SNS MAY NOT BE PALATABLE TO SMER

17. (C) Smer faces distinct international pressure to not work with nationalist party SNS. The international media, Smer's partners within the European Socialist party, and a large majority of the party's own members — including Vice Chairman Robert Kalinak — are in staunch opposition to any cooperation with SNS. Still, they admit, cooperation with SNS has not been ruled out. KDH's Dyttert said that his party does not want to co-govern with SNS, and has gone so far as to consider making "ignoring SNS" (which he considers prone to use the parliament as a backdrop for racist and incendiary statements) part of any coalition agreement.

## ANYTHING REMAINS POSSIBLE (EVEN SMER-SDKU!)

18. (C) Assuming PM Dzurinda is hearing the same things about KDH, he will be pulling out the stops to dissuade the Christian Democrats. In the meantime, Smer seems to be inching ever closer to a Smer-SMK-KDH coalition, but already has a backup plan (Smer-SMK-HZDS) as well as a "anything goes" mentality. Most important for Fico, Smer insiders readily admit, is that Fico becomes Prime Minister; everything else is secondary. Thus, cooperation with parties

like HZDS and SNS cannot be ruled out, and Nevedalova even hinted that the "best coalition" for Slovakia would be Smer-SDKU, a possibility that has not, she pointed out, been completely ruled out. In a press conference later in the afternoon, Fico also dropped the hint, saying that the Smer-SMK-KDH coalition was a possibility, but not "the most attractive" for Smer. When pressed, he said Smer had not ruled out a "big left-to-right" coalition government with SDKU. COMMENT: At the moment, it looks like Smer-KDH-SMK is gaining steam and emerging as the favorite. Fico is keeping his options open to keep his negotiating position strong, and show KDH and SMK that he can walk away at any moment.